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## **CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**

**Financial Statements for the Year Ended  
June 30, 2000 and Independent Auditors'  
Report**

Under provisions of state law, this report is a public document. A copy of this report is available to the public and other interested parties. The report is available for inspection and consultation during regular business hours at the Louisiana State Capitol, where appropriate, at the office of the parish clerk of court.

Release Date DEC 27 2000

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

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## INDEPENDENT AUDITORS' REPORT

Most Reverend Francis B. Schulte, D.D., President  
Catholic Charities Archdiocese of New Orleans  
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Catholic Charities Archdiocese of New Orleans (the "Agency") as of June 30, 2000, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Agency's 1999 financial statements and, in our report dated November 19, 1999, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Catholic Charities Archdiocese of New Orleans as of June 30, 2000, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 1999, from which the summarized information was derived.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2000 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

A handwritten signature in cursive script that reads "Deloitte &amp; Touche LLP".

November 3, 2000

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2000 AND 1999

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ASSETS	2000	1999
Cash	\$ 211,803	\$ 516,569
Investments	3,247,270	3,639,229
Accounts receivable	4,015,227	3,746,881
Prepaid expenses and deferred charges	24,476	27,179
Property and equipment, net	<u>8,161,960</u>	<u>8,639,062</u>
TOTAL ASSETS	<u>\$15,660,736</u>	<u>\$16,568,920</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Managed cash overdraft	\$ 162,949	\$ 338,317
Accounts payable and accrued expenses	1,229,631	1,113,231
Deferred revenue	414,233	614,178
Funds held for the account of others	2,341,653	2,387,830
Loans payable	<u>2,849,904</u>	<u>2,928,236</u>
Total liabilities	<u>6,998,370</u>	<u>7,381,792</u>
NET ASSETS:		
Unrestricted	6,285,912	6,849,971
Temporarily restricted	<u>2,376,454</u>	<u>2,337,157</u>
Total net assets	<u>8,662,366</u>	<u>9,187,128</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$15,660,736</u>	<u>\$16,568,920</u>

See notes to financial statements.

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2000, WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	Unrestricted	Temporarily Restricted	Total	
			2000	1999
<b>REVENUES:</b>				
Public support:				
Contributions	\$ 1,105,657	\$ 189,435	\$ 1,295,092	\$ 1,197,108
Contributed by associated organizations	62,909		62,909	99,607
Allocated by United Way of St. John Parish	47,500		47,500	44,468
Allocated by United Way of St. Charles Parish	108,500		108,500	107,910
Allocated by United Way for the Greater New Orleans Area		1,380,649	1,380,649	2,742,299
United Way designations	145,371		145,371	155,828
United Way Combined Federal Campaign	56,818		56,818	22,013
Special events (net of direct costs of \$74,827 and \$49,953)	94,833		94,833	87,799
Total public support	1,621,588	1,570,084	3,191,672	4,457,032
Fees and grants from governmental agencies	14,456,829		14,456,829	14,046,180
Other revenue:				
Contributed goods and services	1,013,813		1,013,813	1,098,387
Program service fees	1,505,807		1,505,807	1,573,380
Investment income	26,678	558	27,236	76,882
Miscellaneous	69,749		69,749	106,427
Net assets released from restrictions - operations	1,531,345	(1,531,345)	-	-
Total other revenue	4,147,392	(1,530,787)	2,616,605	2,855,076
Total revenues	20,225,809	39,297	20,265,106	21,358,288
<b>EXPENSES:</b>				
Program services:				
Case management	1,356		1,356	29,348
Foster grandparents	411,068		411,068	355,310
Clinical counseling	431,980		431,980	384,693
Maternity	285,704		285,704	241,682
Transitional housing	111,998		111,998	81,591
Adult day health care	879,411		879,411	1,004,997
Child day care	2,611,802		2,611,802	2,663,546
Information and referral	68,107		68,107	67,639
Emergency shelter	894,043		894,043	860,807
Job search	347,750		347,750	316,544
Domestic violence	703,394		703,394	605,186
Aids services	398,312		398,312	391,453
Adult residential care	2,520,053		2,520,053	2,486,903
Child residential care	9,190,114		9,190,114	9,139,579
Immigrant/Refugee services	769,639		769,639	611,669
Family preservation	111,720		111,720	112,449
Deaf action center	416,132		416,132	404,636
Branch offices	287,114		287,114	254,053
Senior groups	22,009		22,009	19,494
Social adjustment	328,162		328,162	349,167
Parish social ministry	-		-	53,170
Other	-		-	1,206
Total expenses	20,789,868		20,789,868	20,435,122
CHANGE IN NET ASSETS	(564,059)	39,297	(524,762)	923,166
NET ASSETS AT BEGINNING OF YEAR	6,849,971	2,337,157	9,187,128	8,263,962
NET ASSETS AT END OF YEAR	\$ 6,285,912	\$ 2,376,454	\$ 8,662,366	\$ 9,187,128

See notes to financial statements.

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## STATEMENTS OF CASH FLOWS YEAR ENDED JUNE 30, 2000 AND 1999

	2000	1999
OPERATING ACTIVITIES:		
Change in net assets	\$ (524,762)	\$ 923,166
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	685,606	670,115
Unrealized loss (gain) on investments	91,013	(79,525)
Changes in assets and liabilities:		
Accounts receivable	(268,346)	(1,268,689)
Prepaid expenses and deferred charges	2,703	(5,787)
Managed cash overdraft	(175,368)	(105,503)
Accounts payable and accrued expenses	116,400	130,863
Deferred revenue	(199,945)	83,067
Funds held for the account of others	(46,177)	33,854
Net cash (used in) provided by operating activities	<u>(318,876)</u>	<u>381,561</u>
INVESTING ACTIVITIES:		
Net investment activity	300,946	264,526
Purchases of property and equipment	(208,504)	(829,588)
Property and equipment disposals	-	62,860
Net cash provided by (used in) investing activities	<u>92,442</u>	<u>(502,202)</u>
FINANCING ACTIVITIES:		
Net (payments) borrowings under line of credit agreement	(64,880)	521,000
Repayment of loans payable	(13,452)	(10,956)
Net cash (used in) provided by financing activities	<u>(78,332)</u>	<u>510,044</u>
NET (DECREASE) INCREASE IN CASH	(304,766)	389,403
CASH AT BEGINNING OF YEAR	<u>516,569</u>	<u>127,166</u>
CASH AT END OF YEAR	<u>\$ 211,803</u>	<u>\$ 516,569</u>

See notes to financial statements.



# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## STATEMENTS OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2000, WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	Case Management	Foster Grandparents	Clinical Counseling	Maternity	Transitional Housing	Adult Day Health Care	Child Day Care	Information and Referral
Salaries and vacation benefits	\$ 1,089	\$ 45,197	\$260,438	\$ 96,177	\$ 26,848	\$ 407,733	\$1,459,233	\$16,535
Employee health and retirement benefits	23	3,493	19,652	9,076	1,643	16,424	60,523	438
Payroll taxes	19	3,948	20,294	8,192	2,418	37,554	129,728	1,621
Total salaries and related expenses	1,131	52,638	300,384	113,445	30,909	461,711	1,649,484	18,594
Professional fees and contract service payments	217	247,559	24,391	27,570	8,055	102,310	168,861	3,489
Supplies		2,685	4,486	8,486	1,132	100,638	253,761	2,943
Telephone		30	4,989	6,129		7,470	9,455	
Postage and shipping		33	321	737		625	62	22
Occupancy		4,823	51,886	55,491	21,405	83,328	184,367	4,355
Travel and transportation		1,865	1,342	3,458	228	9,545	11,935	
Conferences, conventions and meetings		291	1,262	2,703		1,600	1,393	
Printing and publications			602	4,106	53	1,214	3,515	75
Specific assistance to individuals		74,013	14	29,224	37,228	28,035	15,174	27,485
Organization dues		75		75			15	
Management and general	8	26,861	39,852	33,595	12,988	78,292	213,946	11,124
Miscellaneous		195	7	246		522	41,925	20
Interest								
Depreciation			2,444	439		4,121	57,909	
TOTAL EXPENSES	\$ 1,356	\$411,068	\$431,980	\$285,704	\$111,998	\$ 879,411	\$2,611,802	\$68,107

(Continued)

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## STATEMENTS OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2000, WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	Emergency Shelter	Job Search	Domestic Violence	Aids Services	Adult Residential Care	Child Residential Care	Immigrant/ Refugee Services
Salaries and vacation benefits	\$488,213	\$186,906	\$346,832	\$189,870	\$1,106,271	\$5,098,347	\$379,796
Employee health and retirement benefits	26,887	13,097	23,485	17,740	60,588	227,971	19,469
Payroll taxes	44,589	16,314	29,689	16,396	101,014	399,492	33,844
	<u>559,689</u>	<u>216,317</u>	<u>400,006</u>	<u>224,006</u>	<u>1,267,873</u>	<u>5,725,810</u>	<u>433,109</u>
Total salaries and related expenses							
Professional fees and contract service payments	49,365	23,081	40,733	22,602	189,581	817,668	78,761
Supplies	83,679	17,955	40,766	10,445	216,664	582,751	40,628
Telephone	4,969	125	3,989	1,137	17,323	17,994	3,004
Postage and shipping		165	393	374	569	4,916	1,785
Occupancy	73,439	34,976	79,967	26,663	254,043	555,732	46,465
Travel and transportation	851	1,111	4,121	18,550	54,156	70,427	18,162
Conferences, conventions and meetings	1,054	1,747	2,795	1,464	2,317	13,466	3,739
Printing and publications	1,787	2,280	2,367	1,004	567	13,578	4,661
Specific assistance to individuals	1,907	9,360	7,979	43,401	220,818	266,401	57,265
Organization dues		275	755		1,536	6,330	834
Management and general	81,213	36,204	69,257	33,916	197,468	680,358	75,098
Miscellaneous	4	751	310	45	773	10,222	771
Interest					21,662		
Depreciation	36,086	3,403	49,956	14,705	74,703	424,461	5,357
	<u>\$894,043</u>	<u>\$347,750</u>	<u>\$703,394</u>	<u>\$398,312</u>	<u>\$2,520,053</u>	<u>\$9,190,114</u>	<u>\$769,639</u>
TOTAL EXPENSES							

(Continued)



# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## STATEMENTS OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2000, WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	Family Preservation	Deaf Action Center	Branch Offices	Senior Groups	Social Adjustment	Total 2000	Total 1999
Salaries and vacation benefits	\$ 70,080	\$ 181,830	\$ 172,734	\$ 10,321	\$ 117,249	\$ 10,661,699	\$ 10,413,664
Employee health and retirement benefits	3,110	10,984	12,137	783	8,118	535,641	503,510
Payroll taxes	5,997	15,580	14,794	958	9,686	892,127	851,063
Total salaries and related expenses	79,187	208,394	199,665	12,062	135,053	12,089,467	11,768,237
Professional fees and contract service payments							
Supplies	4,787	131,192	15,898	646	22,495	1,979,261	1,881,233
Telephone	4,232	13,692	6,698	722	71,712	1,464,075	1,480,523
Postage and shipping	4	1,687	3,669		2,239	84,213	91,952
Occupancy	6,519	1,061	704	274		12,041	5,865
Travel and transportation	2,240	20,895	19,147	2,111	38,304	1,563,916	1,585,304
Conferences, conventions and meetings	246	11,038	1,457		7,000	217,486	229,053
Printing and publications	423	1,964	920	243	822	38,026	52,989
Specific assistance to individuals	178	(8,117)	6,052	392	148	34,707	45,459
Organization dues					11,607	830,089	890,474
Management and general	13,893	1,048	195			11,138	16,936
Miscellaneous	11	31,048	31,299	5,559	29,894	1,701,873	1,637,313
Interest		280	65		161	56,308	55,463
Depreciation		1,950	1,345		8,727	21,662	24,206
TOTAL EXPENSES	\$ 111,720	\$ 416,132	\$ 287,114	\$ 22,009	\$ 328,162	\$ 20,789,868	\$ 20,435,122

See notes to financial statements.

(Concluded)

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2000, WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** - Catholic Charities Archdiocese of New Orleans (the "Agency"), a not-for-profit charitable organization of the Roman Catholic Church of the Archdiocese of New Orleans, operates community social service programs and provides administrative support and financial management services to separately operated charitable programs which it sponsors. The accompanying financial statements include the accounts of all charitable programs which it operates or sponsors.

**Basis of Presentation** - The Agency classifies its resources for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted - Assets and contributions that are not restricted by donors or for which there are no restrictions.

Temporarily restricted - A donor-imposed restriction that permits the Agency to use the donated assets as specified. The use of the assets is restricted until passage of time or by actions of the organization.

Permanently restricted - A donor-imposed restriction that stipulates that resources be maintained permanently but permits the use of all or part of the income derived.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Contributions** - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The value of contributed goods and services has been recorded as support and revenue and expense in the period received provided there is an objective basis for measurement of the value of such goods and services and they are significant and form an integral part of the efforts of the program.

**Allocation of Costs to Programs** - The costs of administrative support that relate to more than one program have been allocated to the separate programs based on units of service, volume of activity or other equitable basis.

**Investments** - Investments are recorded at market value based on quoted market prices. Gains and losses, both realized and unrealized, are included in the statement of activities.

**Property and Equipment** - Property and equipment are carried at purchased cost or appraised values when acquired by donation or gift, with subsequent additions at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the estimated useful lives of the improvements.

The estimated useful lives used in determining depreciation and amortization follow:

Buildings and improvements	20 - 60 years
Leasehold improvements	10 years
Equipment	5 years
Vehicles	3 years

**Income Taxes** - The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

**Prior Year Financial Information** - The financial statements include certain prior-year summarized comparative information in total but not by net asset class in the statements of activities and functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 1999, from which the summarized information was derived.

## 2. INVESTMENTS

Investments are comprised of the following:

	June 30, 2000		June 30, 1999	
	Cost	Market Value	Cost	Market Value
Certificates of deposit	\$ -	\$ -	\$ 288,000	\$ 288,000
Money market funds	90,275	90,275	140,672	140,672
Mutual funds	2,212,361	3,156,103	2,175,802	3,210,557
Corporate stocks	<u>26,610</u>	<u>892</u>	<u>25,685</u>	<u>-</u>
Total	2,329,246	3,247,270	2,630,159	3,639,229
Less allowance for unrealized losses on corporate stocks	<u>(25,685)</u>	<u>-</u>	<u>(25,685)</u>	<u>-</u>
Total investments	<u>\$2,303,561</u>	<u>\$3,247,270</u>	<u>\$2,604,474</u>	<u>\$3,639,229</u>

The corporate stocks held at June 30, 2000 and 1999 consist primarily of unlisted securities.

The ownership of the investments at June 30, 2000 and 1999 is as follows:

	2000	1999
Unrestricted net assets	\$ 121,615	\$ 811,460
Temporarily restricted net assets	878,983	523,178
Funds held for the account of others	<u>2,246,672</u>	<u>2,304,591</u>
Total	<u>\$3,247,270</u>	<u>\$3,639,229</u>

### 3. PROPERTY AND EQUIPMENT, NET

A summary of property and equipment at June 30, 2000 and 1999 follows:

	2000	1999
Buildings and improvements	\$11,509,359	\$11,484,133
Leasehold improvements	1,868,447	1,743,861
Equipment	2,843,955	2,777,063
Vehicles	<u>798,460</u>	<u>755,701</u>
	17,020,221	16,760,758
Less accumulated depreciation and amortization	<u>(9,328,992)</u>	<u>(8,592,427)</u>
	7,691,229	8,168,331
Land	<u>470,731</u>	<u>470,731</u>
Total property and equipment, net	<u>\$ 8,161,960</u>	<u>\$ 8,639,062</u>

#### 4. LOANS PAYABLE

Loans payable at June 30, 2000 and 1999 are summarized as follows:

	2000	1999
Unsecured demand borrowings, pursuant to a line of credit permitting borrowings up to \$2.8 million, bearing interest at the bank's prime rate plus 1/2% (9.5% and 7.75% at June 30, 2000 and 1999, respectively), due April 2000, guaranteed by the Roman Catholic Church of the Archdiocese of New Orleans	\$ -	\$2,426,000
Unsecured demand borrowings, pursuant to a line of credit permitting borrowings up to \$2.5 million, bearing interest at 6.5% at June 30, 2000, due June 2001, issued by the Roman Catholic Church of the Archdiocese of New Orleans	2,361,120	-
Mortgage notes payable in monthly installments approximating \$2,750, including interest at an annually adjustable rate (ranging from 5.76% to 8.75% in 2000 and 5.76% to 8.04% in 1999); final installments due between December 2013 and July 2015; collateralized by real estate with a net book value approximating \$340,000 and \$359,000 at June 30, 2000 and 1999, respectively	289,264	302,716
Promissory note to Roman Catholic Church of the Archdiocese of New Orleans, non-interest bearing, no scheduled repayment	<u>199,520</u>	<u>199,520</u>
Total loans payable	<u>\$2,849,904</u>	<u>\$2,928,236</u>

In April 1999, the Agency obtained an additional \$1.0 million line of credit with a commercial bank. The line expired April 2000.

Annual principal payments on loans payable for each of the next five years and in total thereafter at June 30, 2000 follow:

Year Ending June 30,	
2001	\$2,574,092
2002	14,452
2003	15,452
2004	16,452
2005	17,452
Thereafter	<u>212,004</u>
Total	<u>\$2,849,904</u>



Interest paid during 2000 and 1999, all of which was charged to operations, approximated \$228,000 and \$185,000, respectively.

## **5. RETIREMENT PLAN**

The Agency has a defined contribution retirement plan covering substantially all of its employees. Under the plan, Agency contributions, if any, are determined annually at the discretion of the Agency. The Agency authorized a contribution of \$205,100 and \$200,800, for 2000 and 1999, respectively.

## **6. RELATED PARTIES**

The Archbishop of New Orleans serves as president of Catholic Charities Archdiocese of New Orleans. He also serves as president of all other corporations, boards of trustees and separate organizations sponsored by or operated under the auspices of the Archdiocese of New Orleans.

In the normal course of operations, the Archdiocese of New Orleans has made and will, when necessary, make available to the Agency and its affiliated agencies specific assistance in the form of operating subsidies, loans, loan guarantees, use of facilities and administrative support.

During 2000, the Archdiocese of New Orleans issued a \$2.5 million line of credit to the Agency. At June 30, 2000, the Agency had drawn down \$2,361,120 of the line of credit. See Note 4 for further information related to loans payable.

During the fiscal years ended June 30, 2000 and 1999, the Agency purchased computer hardware and software from a related party for approximately \$51,000 and \$86,000, respectively.

## **7. OPERATING LEASE OBLIGATIONS**

The Agency operates a portion of its community social service programs in leased facilities under operating leases expiring at various dates through the fiscal year 2005. The leases are subject to cancellation under certain circumstances, including substantial changes in funding in the Agency's programs. The following is a schedule by years of future minimum rental payments required under those leases and equipment leases that have initial or remaining lease terms in excess of one year as of June 30, 2000:

<b>Year Ending June 30,</b>	
2001	\$ 166,675
2002	98,020
2003	53,660
2004	30,524
2005	<u>19,000</u>
Total minimum payments required	<u>\$ 367,879</u>

Total rental expense for all operating leases for the years ended June 30, 2000 and 1999 approximated \$353,000 and \$333,000, respectively.



## 8. CONTINGENCIES

The Agency receives a substantial amount of its support from the federal and state government. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Agency's programs and activities.

The Agency is required to submit reports to various funding sources to substantiate the support received. These reports are subject to audit and/or approval by the respective funding sources.

The Agency is a party to various litigation and other claims, the outcome of which cannot be presently determined. Management's opinion is that the outcome of such matters would not have a significant effect on the Agency's financial position.

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LEGISLATIVE AUDITOR  
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# **CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**

**Independent Auditors' Reports and Information  
Required by *Government Auditing Standards*  
for the Year Ended June 30, 2000**

Under provisions of state law, this report is a public document. It is to be made available to the public and to the media. The report is to be made available to the public in the form of a copy of the report, which may be obtained from the office of the legislative auditor, where appropriate, or the clerk of the parish clerk of court.

Release Date \_\_\_\_\_

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE  
AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

Most Reverend Francis B. Schulte, D.D., President  
Catholic Charities Archdiocese of New Orleans  
New Orleans, Louisiana

We have audited the financial statements of Catholic Charities Archdiocese of New Orleans (the "Agency"), as of and for the year ended June 30, 2000, and have issued our report thereon dated November 3, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

November 3, 2000



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR PROGRAM, AND ON THE SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE**

Most Reverend Francis B. Schulte, D.D., President  
Catholic Charities Archdiocese of New Orleans  
New Orleans, Louisiana

### Compliance

We have audited the compliance of Catholic Charities Archdiocese of New Orleans (the "Agency") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major programs for the year ended June 30, 2000. The Agency's major programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the requirements referred to above that are applicable to each of its major programs for the year ended June 30, 2000. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 00-1.



### Internal Control Over Compliance

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to major programs. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the Agency's internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### Schedule of Governmental Financial Assistance

We have audited the financial statements of the Agency as of and for the year ended June 30, 2000, and have issued our report thereon dated November 3, 2000. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Governmental Financial Assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the Agency. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

November 3, 2000

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 2000

	Federal CFDA #	Revenue on Accrual Basis
Passed through the State of Louisiana and other local agencies:		
Department of Social Services		
Office of Community Service		
- Child Residential Care	93.667	\$ 3,739,647
- Child Day Care	93.667	182,354
- Refugee Social Services	93.566	211,520
- Targeted Assistance	93.566	121,956
- Social Services Block Grant	93.667	98,369
- Residential Supervised Apartment	93.667	67,291
- Independent Living	93.674	<u>255,328</u>
		<u>4,676,465</u>
Department of Health and Hospitals		
Office of the Secretary		
- Adult Residential Care	93.778	1,645,939
- Child Residential Care	93.778	1,681,233
- Adult Day Health Care	93.778	188,067
- Maternity	93.778	<u>49,060</u>
		<u>3,564,299</u>
Department of Public Safety and Corrections -		
Office of Youth Development		
- Child Residential Care	CFMS #540024	<u>1,668,792</u>
Total Community Action		
- Child Day Care	93.600	<u>1,164,897</u>
Department of Education - Special Food Program		
- Child Day Care	10.558	233,910
- Adult Day Health Care	10.558	57,688
- Emergency Shelter	10.558	20,913
- Domestic Violence	10.558	<u>6,177</u>
		<u>318,688</u>
Department of Social Services		
Louisiana Rehabilitation Services		
- Deaf Action Center	84.126A	<u>77,453</u>
Corporation for National Service		
- Foster Grandparents	94.011	<u>336,568</u>
Office of Mental Health and Substance Abuse		
- Adult Residential Care	CFMS #545423	193,395
- Adult Residential Care	CFMS #549500	<u>148,280</u>
		<u>341,675</u>

(Continued)

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 2000

	Federal CFDA #	Revenue on Accrual Basis
Department of Housing and Urban Development - Jefferson Parish Community Development Department State Emergency Shelter Grant - Emergency Shelter Care	14.231	<u>89,755</u>
Department of Housing and Urban Development Jefferson Parish Community Development - Emergency Shelter Care	14.218	<u>240,000</u>
Department of Labor - Jefferson Parish Community Development Department - Job search	17.253	<u>84,934</u>
United States Department of Justice - Passed through United States Catholic Conference - Match Grant Program	93.567	<u>80,188</u>
United States Department of State - Passed through United States Catholic Conference - Reception and Placement Program - Kosovar Grant	93.Unknown 93.576	<u>29,620</u> <u>7,249</u> <u>36,869</u>
Department of Social Services - Office of Family Support - Job Search	93.561	<u>193,518</u>
Louisiana Office of Women's Services - Domestic Violence	93.671	<u>243,332</u>
City of New Orleans - Community Block Grant - Social Adjustment	14.218	<u>37,740</u>
Department of Housing and Urban Development - City of New Orleans Housing Opportunities for Persons with AIDS (HOPWA) - AIDS Services	14.263	<u>103,862</u>
U.S. Department of Justice Office of Justice Programs - City of New Orleans Office of Criminal Justice - Domestic Violence - Immigrant/Refugee Services	16.590 16.590	<u>52,868</u> <u>36,125</u> <u>88,993</u>
Louisiana Department of Social Services - City of New Orleans State Emergency Shelter Grant - Domestic Violence	14.231	<u>56,839</u>

(Continued)

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 2000

	Federal CFDA #	Revenue on Accrual Basis
Department of Housing and Urban Development - City of New Orleans Emergency Shelter Grant - Emergency Shelter Care	14.231	<u>46,759</u>
Children's Hospital, Ryan White Title IV - Child Residential Care	93.153	<u>17,675</u>
Department of Education-School Food Service - Child Residential Care	10.558	<u>192,268</u>
Department of Housing and Urban Development, Supportive Housing Grant - Transitional Housing	14.235	94,650
- Emergency Shelter Care	14.235	194,422
- Child Day Care	14.235	54,750
- Adult Residential Care	14.235	<u>31,478</u>
		<u>375,300</u>
Department of Health and Hospitals - Office of Public Health - Immigrant/Refugee Services	93.576	<u>61,316</u>
United Way Emergency Food/Shelter Program - Emergency Assistance	83.523	38,471
- Emergency Shelter Care	83.523	20,398
- Domestic Violence	83.523	<u>10,531</u>
		<u>69,400</u>
New Orleans Ryan White Title I Comprehensive AIDS Planning Council - City of New Orleans - AIDS Services	93.914	<u>148,900</u>
Jefferson Parish Human Services Authority - Adult Residential	JPHSA #236	<u>5,247</u>
Louisiana Commission Law Enforcement Assistance Administration, Legal Assistance Program - Domestic Violence	16.575	<u>115,051</u>
Miscellaneous Grants	10.558	<u>20,046</u>
<b>TOTAL GOVERNMENTAL FINANCIAL ASSISTANCE</b>		<b><u>\$14,456,829</u></b>
		(Concluded)



# **CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**

## **NOTES TO SUPPLEMENTARY SCHEDULE OF GOVERNMENTAL FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 2000**

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### **1. BASIS OF PRESENTATION**

The accompanying Schedule of Governmental Financial Assistance has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Agency has met the cost reimbursement or funding qualifications for the respective grants. The dollar threshold used to distinguish between Type A and Type B programs was \$433,705.

Catholic Charities Archdiocese of New Orleans receives a substantial portion of its funding in the form of governmental financial assistance which is passed through the State of Louisiana. The State is required to report the amount of federal and state dollars it passes to Catholic Charities Archdiocese of New Orleans. However, the State is not able to supply this information. Also, Catholic Charities Archdiocese of New Orleans' accounting system does not maintain separate expense accounts by funding source which details federal and state expenditures. Due to the lack of information, a determination of what dollars are being spent (i.e., government funds, United Way funds, contributions, etc.) cannot be made. Due to these circumstances, a supplementary schedule of expenditures of federal awards cannot be compiled. As a result, a schedule of governmental financial assistance is prepared every year.

### **2. PAYMENTS TO SUBRECIPIENTS**

There were no payments to subrecipients for the fiscal year ended June 30, 2000.

### **3. CFDA NUMBERS**

Contract or catalog of Federal Domestic Assistance (CFDA) Numbers are presented for all individual awards scheduled, where applicable. CFDA Numbers were not available for certain state agency funding sources.

# CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2000

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### SUMMARY OF THE AUDITORS' RESULTS

- An unqualified opinion was issued on the financial statements of the auditee.
- The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.
- The audit disclosed no instances of noncompliance that were material to the financial statements of the auditee.
- The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses is not applicable.
- An unqualified opinion was issued on compliance for major programs.
- The audit disclosed a finding which is required to be reported under Section 510(a) of Circular A-133 as disclosed in the Schedule of Findings and Questioned Costs related to governmental financial assistance as indicated below.
- Major programs for the fiscal year ended June 30, 2000 were:
  1. Department of Social Services - Office of Community Service (CFDA #93.667, 93.566, 93.674)
  2. Department of Health and Hospitals - Office of the Secretary (CFDA #93.778)
  3. Department of Public Safety and Corrections - Office of Youth Development (CFMS #540024)
  4. Total Community Action (CFDA #93.600)
  5. Catholic Charities Archdiocese of New Orleans receives a substantial portion of its funding in the form of governmental financial assistance which is passed through the State of Louisiana. The State is required to report the amount of federal and state dollars it passes to Catholic Charities Archdiocese of New Orleans. However, the State is not able to supply this information. Also, Catholic Charities Archdiocese of New Orleans' accounting system does not maintain separate expense accounts by funding source which details federal and state expenditures. Due to the lack of information, a determination of what dollars are being spent (i.e., government funds, United Way funds, contributions, etc.) cannot be made. Due to these circumstances, a supplementary schedule of expenditures of federal awards cannot be compiled. As a result, a schedule of governmental financial assistance is prepared every year.
- The dollar threshold used to distinguish between Type A and Type B programs was \$433,705.
- The auditee did qualify as a low-risk auditee.



## SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2000.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO GOVERNMENTAL FINANCIAL ASSISTANCE

### 00-1 Hearing, Vision and/or Health Screenings

#### Condition

In examining twenty-five participants' eligibility at a Child Day Care program, we noted fifteen instances where the participants' records did not contain hearing, vision and/or health screenings within forty-five days after entering the program.

#### Criteria

The Head Start program requires the Agency to provide health and development screenings for all participants within forty-five days after the start of the program or within forty-five days after the child enters the program.

#### Effect

The Agency did not provide necessary health screenings within the time frame required by Total Community Action due to the lack of availability of doctors who are mandated to perform the screenings within the forty-five day time frame.

#### Cause

Although the Agency has procedures for adhering to the performance standards of the program, it appears that in some instances the program does not provide the required screenings timely.

#### Recommendation

We recommend the Agency adhere to its policies and procedures by providing the required screenings of participants within the required time frame.

#### Management's Response

Total Community Action (TCA) requires health and vision screenings within forty-five days of a child's entry into a Headstart day care program and most children selected did not meet this requirement. With the exception of eight children, all eligible participants had the required screenings but not within the forty-five day time limit. TCA offers referrals for these screenings, to a limited list of examiners, during the month of September. If a child comes into the program at sometime other than the start of the day care year, it is the responsibility of the parent to obtain these screenings. Unfortunately, it is difficult to enforce this timetable on the parents after the child is already in the program as there is no formal mechanism for follow-up and enforcement of this requirement.

# **CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**

## **STATUS OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED JUNE 30, 2000**

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### **Finding 99-1 - Hearing, Vision and/or Health Screenings**

We noted twenty-one instances where participants in the Head Start program did not receive hearing and/or vision screenings within forty-five days after entering the program.

### **Status**

As noted in the accompanying Schedule of Findings and Questioned Costs, instances were noted in the current year where the Program did not receive hearing and/or vision screenings within the required time period.